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MONTANA *Industrial Horizons*
STATE PLANNING BOARD SEPT.-OCT., 1962

Million Dollar Annual Payroll

J. NEILS LUMBER CO. DEDICATES NEW PLYWOOD PLANT AT LIBBY

Another Milestone In the Company's Expansion Plans

J. Neils Lumber Co. dedicated their new plywood plant at ceremonies in Libby, Sunday, September 9. Opening of the new industry will add an annual million dollar payroll to the economy of northwestern Montana and create employment for about 150 people in the Libby area.

The huge mill is contained under one roof covering more than five acres, and is one of the most modern in the nation. Monthly production is estimated at 5 million sq. ft. of ⅜-in. larch plywood. Robert L. Neils has been named manager.

The mill houses a multitude of mammoth machines such as the 70,000 lb. lathe which rests on a base of 109 cu. yds. of concrete. The loading dock inside the plant includes tracks running the entire width of the building which will accommodate about ten 40-ft. railroad cars.

Construction of the plywood sheathing mill began in April of 1961. The plant will produce both exterior and interior sheathing with a small percentage of sanded.

J. Neils Lumber Co., founded 67 years ago in Minnesota by Julius Neils, et al., is today recognized as a giant in Montana's forest products industry. In 1905 a need for more timber caused the Minnesota company to begin buying timber in Montana and sawmill operations were begun in 1911 under the name of Libby Lumber Co. Paul Neils, son of the founder, was the first general manager, succeeded in 1919 by another son, Walter, who retired in 1958. A third son, George, was logging manager until his retirement in 1958. A. J. Agather is presently resident general manager. Paul is now chairman of the board.

In 1957 J. Neils merged with St. Regis Paper Co., one of the country's largest paper products companies, and operates as a division of St. Regis.

Neils operates sawmills at Libby and Troy in Montana and at Klickitat, Washington. They also have a stud mill at Libby along with a pressure treating plant, Pres-to-Log plant and box factory. A second box factory is operated at Klickitat.

The saw mill at Libby is a giant operation, covering more than 145 acres. Monthly payroll is about $500,000. This includes 1,079 persons at Libby, 67 at Troy, and 37 at the Rexford logging camp. Forest products shipments from Libby reach all of the United States, as well as Canada, Mexico, South America, Japan, and Korea.

Governor Tim Babcock was featured speaker at the dedication ceremonies for the plywood plant and noted that the state is well aware of the contribution the company makes to the economy of Montana. He praised the company for its diversification program which is assisting our timber industry by a greater utilization of the forest resources and helping to make Montana more and more an exporter of finished materials.

The five-acre roof of the new larch plywood plant at Libby is believed to be the largest in the state. The new plant will produce 60,000,000 sq. ft. of larch plywood sheathing annually and employ about 150 people. J. Neils Lumber Co. produces a wide variety of products, including prefabricated bridges, lumber, logs, lath, survey stakes, stock for manufacture of furniture and toys, grain doors, Pres-to-logs and stoker fuel, Bar-B-Cubes, posts, poles and piling, stud products and by-products, wood chips for the manufacture of pulp and paper, box shook for the manufacture of boxes, and custom fencing.

STRactan, Industrial Gum, Being Produced by J. Neils at Libby Plant

Along with announcement of completion of their new larch plywood plant at Libby, J. Neils Lumber Co. has revealed that their research to develop an industrial gum from larch trees has proved successful and a pilot production unit is now in operation at Libby.

First Domestic Source

This is of particular significance since it marks the first domestic source of a gum competitive with gum arabic. Gum arabic has had a virtual monopoly on uses calling for a soluble gum for 4,000 years. Four-fifths of the world supply comes from the Sudan Republic and many industries have been seeking a domestic source.

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SPB Meets With Advisory Council

The Advisory Council to the State Planning Board met in Helena on September 7 to review the Board's operations and offer suggestions for future projects. The principal function of the Council is to serve in an advisory capacity to the Board and to effect contacts between the Board and the people of the state through local development groups. The Council is composed of 13 members representing the several areas and economic segments of the state. They are pictured here attending a joint meeting with the Board.

At right, R. C. (Dick) Setterstrom, chairman of the Advisory Council, industrial development engineer with the Montana Power Co., Butte; Tom Collins, director of the SPB; Dr. R. R. Renne, president of Montana State College, Bozeman; Henry J. Sawtell, chairman of the SPB, Miles City; Dr. H. K. Newburn, president of Montana State University, Missoula; Alex K. Sample, Jr., president of Conrad National Bank, Kalispell.

At left, C. H. Raymond, member of SPB, Hamilton; A. J. Mosby, president of Mosby's, Inc., Missoula; O. E. Markle, manager of Markle's Implement Co., Glasgow; R. E. Matson geologist on staff of SPB; W. J. Bowman, executive secretary-manager of Billings Builders Exchange.

At right, A. D. McDermott, secretary of SPB; T. S. Veazey, research manager, Anaconda Co. Forest Products Div., Bonner; A. G. Westwood, Jr., member of SPB, Lodge Grass; S. P. Kurth, Billings lawyer.

Other Advisory Council members not pictured: John M. Cross, Glendive; Ingvard Svarre, Sidney; and James S. Umber, Helena.

—Photos by E. V. Darlinton, Ass't. Director, SPB

A few of the officials who attended J. Neils Lumber Co. plywood plant dedication. From left to right: Henry W. Wegner, executive sawmill engineer, Tacoma; A. F. Muenchow, plant comptroller, Libby; Earle Berger, regional manager of purchases, Tacoma; James Mueller, plywood department manager, Olympia; Edgar N. Eisenhower, St. Regis director and western general counsel, Tacoma; Russell R. Major, assistant comptroller and western regional comptroller, Tacoma; Russell Walsh, chief accountant, Libby; John E. Cowles, vice president and treasurer of St. Regis Paper Co., New York; A. J. Agather, resident manager, Libby; Thomas J. Collins, director of State Planning Board, Helena; Mrs. Anne B. Brockway, Mayor of Libby; Everett G. Griggs II, St. Regis director, Tacoma; Robert Neils, administrative assistant and plywood manager, Libby; Tim Babcock, Governor of Montana, Helena; Robert N. Helding, attorney and public relations director, Libby; Richard P. Neils, sales manager, Libby; John R. Hallowell, secretary to the Governor, Helena; Melvin R. Knudson, administrative assistant and director of research and development, Libby.

STRactan, Industrial Gum

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Industrial Uses

The product, arabinogalactan, tradenamed STRactan, is expected to have widespread application in offset lithography and in the textile, pharmaceutical, food, paint, ink and other industries. It serves as a binder, filler, coating and emulsifier.

The new product has been field-tested by lithographers across the country and they have found that it saves time in developing, cleaning and preserving printing plates. It is used as a gumming solution during the processing of the printing plate. One of the biggest problems for lithographic plate makers is streaking during the developing of the plate since these streaks show up on the printed copy. With gum arabic, even the most experienced man ruins a plate occasionally. Plate makers have found it almost impossible to streak a plate with STRactan for it dissolves so completely that even drip-drying does not cause streaks.

High Purity

The technical grade STRactan being produced at Libby is about 95 per cent pure, a higher and more constant level of purity than can be assured from gum arabic. With STRactan, unlike gum arabic, the same formulation can be used in all operations, thus cutting inventories.

13 Years In Developing

The plant is the result of thirteen years of investigative research effort on the part of personnel at J. Neils in Libby. During the past four years research has been done under a contract with Washington State Unversity's Division of Industrial Research which resulted in achieving a breakthrough in discovering a manufacturing process.

Western Larch Source

Western larch offers a virtually inexhaustible source of raw material for production of STRactan. The big trees abound in Idaho and Montana and fringe areas of Washington. In addition, many log butts of larch remain from previous harvests, since the first section of the tree has been discarded because of sawing difficulties due to the heavy accumulations of gums. Some of these big logs have concentrations of arabinogalactan as high as 25 per cent by weight and therefore don't rot.

The new plywood plant has a "Chipper Room" where all chippable waste is made into chips for processing through the STRactan plant. After the nectar has been removed the chips are excellent pulp material as the chip buyer gets more wood per pound purchased since he isn't paying for the sugar, and the leached chips work better in pulping operations.

Plans for Commercial Production

J. Neils has received many letters expressing interest in STRactan since publicity about the product was released, and already consideration is being given to a full-scale plant which would have a minimum annual production of four million pounds. Even this would represent a modest share of the potential market, since American industries use more than a billion pounds of industrial gums annually.

MEETINGS ASSIST STATE FIRMS TO OBTAIN DEFENSE CONTRACTS

Everett Darlinton, assistant director, attended a U. S. Navy Research & Development Clinic which was held at the University of Washington in Seattle, Sept. 12-15.

The purpose of the Clinic was to acquaint over 500 scientists and technicians from industry, higher education, and research organizations throughout the country with the Navy's needs for new developments in the field of science.

Montanans who spoke at the clinic were Robert Stanaway, president, and Floyd Erps, chief engineer, Montronics, Inc., Bozeman; Dr. Donald Weaver, director, Electronics Research Laboratory, Montana State College, Bozeman; and Tony Veazey, research manager, The Anaconda Co., Forest Products Division, Bonner, who is also national president of the Forest Products Research Society.

1964 Clinic May Be Held In Montana

The State Planning Board, Montana State College, and Montronics, with the cooperation of Montana State University and Montana School of Mines, are tentatively planning to hold a similar Navy R & D Clinic in Bozeman during the summer of 1964. Such a clinic, drawing top-level scientists from throughout the U. S. to Montana, would point out the ability of existing research facilities in the state to expand in the field of defense research as well as being a great advertisement to the potential Montana offers to research personnel for the establishment of additional research facilities here.

Procurement Conference

While in Seattle, Darlinton conferred with personnel from the Army, Navy, Air Force and the Small Business Administration regarding the possibility of holding a Procurement Conference in

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1961 MINERALS REPORT

According to a summary report by the U. S. Bureau of Mines, the value of mineral production in Montana in 1961 totaled $183,445,000. This was $4.6 million greater than in 1960, or an increase of 3 per cent. Except for the lower prices on copper, the gain would have been greater. Crude petroleum, copper, and sand and gravel provided 82 per cent of the state's total value of mineral production.

Petroleum Leads

Crude petroleum maintained its leading position with a total value of $74,795,000 at the wells. This represents 41 per cent of the total value of mineral output in the state. Of the 30,906,044 barrels of oil produced, the Williston Basin in eastern Montana produced 56.4 per cent, central Montana 20.6 per cent, northern Montana 13.6 per cent, and south-central Montana 9.4 per cent.

The marketed production of natural gas totaled over 34.0 billion cubic feet, compared with 33.4 billion cubic feet in 1960. The value at the wells of natural gas was $2,600,000 while the value of natural gas liquids produced in 1961 was $1,425,000. Cut Bank and Reagan, Cedar Creek, Bowdoin, Dry Creek, Keith Block, Whitlash, Cabin Creek, Bowes, and Kevin-Sunburst are the principal natural gas producing fields.

Copper Second

Copper was the state's second most valuable mineral produced. **Production was the highest since 1944 with a 13 per cent increase over 1960 totals.** More than 99 per cent of the output came from the Anaconda Company mines in Silver Bow County. The total value of copper produced was $62,400,000, up $3,354,000 from 1960.

Sand, Gravel Up

The value of sand and gravel produced in 1961 was $13,506,000. This reflects a substantial increase over 1960 production and was due to increased use of sand and gravel by the State Highway Department and the U. S. Bureau of Reclamation.

The Anaconda Aluminum Co. plant at Columbia Falls, which increased its output to full capacity on May 1, 1961, had a total output of 62,466 tons, an increase of 10 per cent over 1960.

Greater production was also recorded for coal, stone, cement and lime. Production of lead, zinc, chromite, gold, manganese, silver, fluorspar, phosphate rock, and talc decreased.

The increase for all mineral production in the quantity of production index (tons, barrels, etc.) was 9 points, from 114 to 123 (1959=100).

MEETINGS ASSIST FIRMS

(Continued from page 3)

Helena to acquaint Montana's industrial firms with the procedures involved in securing defense sub-contracts together with information about the kinds of equipment desired by the services. Such a conference will be held in the near future, if sufficient industrialists express interest in attending.

GE Selects Butte as 3-State Distribution Center

General Electric Co. is establishing a new branch distribution center in Butte. Construction of a new warehouse is underway and will probably be completed by November.

GE has periodically contacted the State Planning Board since 1956 for information regarding market potentials in Montana and indicated their confidence in the continued economic growth of the area by locating this new facility in the state.

In commenting on the selection of Butte for the warehouse, John McGrath, manager of the Butte GE office, said, "Butte is centrally located, and has the advantage not only of having four railroads in operation in and out of the Mining City, but when the Interstate Highway is completed, Butte will be the hub for the Northwest in interstate routings."

The Butte Industrial Development Corp. was instrumental in selection of the site for the new GE branch distribution center and in making necessary arrangements for construction of the new warehouse.

Merchandise from GE's Appliance Park in Louisville, Kentucky, will be received at the warehouse in carload lots, and shipments will be made from Butte by motor freight to franchised dealers throughout Montana, Northern Wyoming, and to cities in eastern Idaho.

New City-County Planning Law Being Drafted

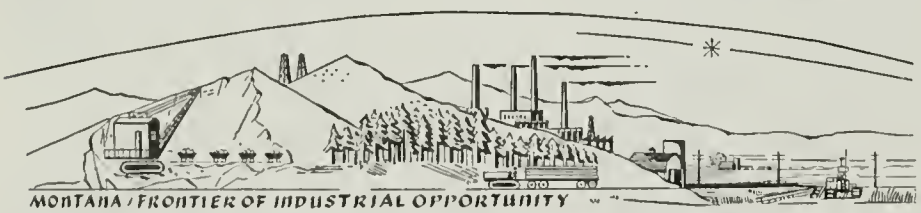
Over a year ago, certain sections of the original act setting up city-county planning boards were declared unconstitutional by the Montana Supreme Court. At the Planning Board's May 11th meeting with attorneys throughout the state, Tom Joyce, Butte attorney, accepted the responsibility for drafting legislation which may permit zoning of county areas located adjacent to Montana cities. After this meeting, additional meetings were scheduled in Billings and Helena to pursue the matter of new legislation further.

First Draft Considered

At the Billings meeting, sponsored by the Billings Chamber of Commerce and held September 11th, Joyce's proposed legislation was considered by representatives of various interested communities. A general discussion was held regarding progress and problems encountered under the old act, and all participants expressed the necessity for enabling legislation in this field. In recognizing the growth potential of many of our communities, it is generally agreed that the public wants a means of planning the orderly and logical expansion of Montana's cities. It was proposed that a more thorough study be made of the preliminary law, suggestions and recommendations to be submitted to the State Planning Board.

Next Meeting October 10

On October 10 a similar meeting is to be held in Helena at which time community representatives will consider proposed revisions in the draft legislation with the objective of reaching agreement on a proposal to be presented to the 1963 legislature.



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